

**Community Eligibility Option
Frequently Asked Questions
Michigan Department of Education – School Nutrition Programs
Last Updated: May 31, 2012**

INTRODUCTION

What is Community Eligibility Option or CEO?

Community Eligibility Option (CEO) is an alternative way to serve universal free breakfast and lunch to all students in high poverty Local Educational Agencies (LEAs) and schools.

This program requires schools to offer breakfast and lunch but will allow individual schools to count and claim meals without the normal free and reduced application process. Schools that participate in CEO will no longer be required to collect Free and Reduced Price School Meals Family Applications to determine student eligibility for free meals. Meals will still need to be counted at Point of Service (POS), but just total meals, not meals by category.

How can we qualify?

Any school building that has a percentage of directly certified students of 40% or more, according to the data reported as of April 1, 2012, will be eligible to participate. The percentage is calculated by taking all directly certified students (including siblings and/or other household members you have extended eligibility to, homeless, migrant, foster, runaways) and dividing by the student enrollment (students eligible to participate in school meal programs). Districts can participate in a variety of ways: by individual school building direct certification rate, groups of schools' direct certification rate, or by an entire district's direct certification rate.

What are the advantages and disadvantages of CEO?

The advantages include:

- All students receive a free breakfast and lunch
- Eliminates overt identification issues for students
- Improves nutrition to students at risk
- Reduces paperwork at the school district level
- Simplifies meal counting and claiming
- Provides potential labor savings
- Increases breakfast and lunch participation

Some disadvantages are:

- Potential financial issues when less than 100% claiming rate
- Unresolved issues on funding related to the counting of students eligible for free and reduced meals (e-rate, 31a state funds, Title I)

How and when can we apply for next year?

We will notify districts in the spring of 2012 regarding the application process for next year. The deadline for applications will be June 30, 2012.

**Community Eligibility Option
Frequently Asked Questions
Michigan Department of Education – School Nutrition Programs
Last Updated: May 31, 2012**

Do we need to apply every year?

Once an LEA or school is approved, it may participate in the program for duration of four consecutive years without having to reapply. However, if an LEA or school is not at 100% free reimbursement, it may provide to MDE for approval a new set of direct certification numbers each year to up the reimbursement percentage.

What if we want to opt out?

If approved and accepted into the CEO program, LEAs and schools are required to participate for the entire school year. If an LEA or school decides the program is not beneficial to them, they may opt out of the program on June 30th for the following school year.

DETERMINING ELIGIBILITY

What is direct certification?

Direct certification is the process in which students are automatically approved for free breakfast and free lunch based on designation by the Michigan Department of Human Services (DHS).

In Michigan, direct certification is completed by matching student enrollment data that Local Educational Agencies (LEAs) upload to the Michigan Student Data System (MSDS) with Food Assistance Program (FAP) participant and Foster Child data from the Michigan Department of Human Services (DHS). The matching process is done monthly and made available to LEAs via MSDS.

What are extended benefits?

Any child living in a household with a child who is directly certified, as designated by DHS, is automatically eligible for free breakfast and lunch through the school meals programs. The children with extended benefits are also included in the direct certification counts for CEO.

What are the methods for calculating the direct certification rate for a district, Public School Academy (PSA), school, and group of schools within an LEA?

The direct certification rate is calculated by taking the total number directly certified students (plus migrant, homeless, runaway, and foster students, if not already included in the direct certification list) and dividing that number by the number of students with access to school lunch (in most cases, equal to enrollment). Districts can report the entire district, a single school, group(s) of schools or any combination of single schools and group(s) of schools. If it is a group or the entire district, the rate is the aggregate of the buildings.

**Community Eligibility Option
Frequently Asked Questions
Michigan Department of Education – School Nutrition Programs
Last Updated: May 31, 2012**

If we are not currently eligible or our direct certification percentage is too low to be advantageous, is there anything our schools can do to raise the direct certification rate so we can participate in the future?

Schools can improve their direct certification percentage by ensuring that all students that can be certified by direct certification are directly certified. Any student that is listed on a Free and Reduced Price School Meals Family Application and is also on the direct certification list should be considered directly certified. In other words, use the direct certification match for the student and do not use the Free and Reduced Price School Meals Family Application for that student. Beginning this school year, schools are required to run the direct certification list three times during the school year.

APPLICATIONS AND OTHER DOCUMENTATION

Do all local education agencies (LEAs) still need to provide free and reduced price lunch information to MDE via the Supplemental Nutrition Education characteristic in CEPI's normal collections?

In order to receive certain federal and state funds, LEAs are required to enter student data into the Supplemental Nutrition Eligibility (SNE) field, formerly called Field 31, in the MSDS.

Which LEAs need to provide the free and reduced lunch data?

Any LEA desiring to receive certain federal or state funds must enter student data into the MSDS.

What form should we use to collect the data necessary for the SNE field?

Use the Household Information Survey located in the "Resources" section at the following link: http://www.michigan.gov/cepi/0,4546,7-113-986_50502_53828---,00.html.

Why do LEAs participating in the CEO still have to collect and report free and reduced application data?

The United States Department of Education (USED) still requires the state to calculate and report subgroup data, and many programs use this subgroup for allocations. Because not all students receiving the benefits of CEO are actually FREE-LUNCH eligible, it is still necessary for LEAs participating in CEO to determine on a student by student basis who is personally eligible.

COUNTING, CLAIMING, AND REIMBURSEMENT

If a school or LEA is participating, do any students need to identify their free or reduced price lunch status when picking up their meal?

No. LEAs are required to only count the total number of students who took a creditable breakfast or lunch.

**Community Eligibility Option
Frequently Asked Questions
Michigan Department of Education – School Nutrition Programs
Last Updated: May 31, 2012**

How will LEAs be reimbursed for meals if the calculated participation rate is less than 100%?

For the 2012-13 school year, schools will be reimbursed by multiplying their direct certification rate by USDA authorized factor of 1.6 to determine the percentage of free meals. If the percentage is less than 100%, the remaining percentage will be reimbursed at the paid rate.

Districts with direct certification rates between 40 and 62% may be required to pay, from sources other than federal funds, the costs of serving breakfasts and lunches that are in excess of the federal assistance received, including federal cash reimbursement.

Once your application has been approved, you will receive the appropriate claiming percentages via email.

OTHER FUNDING

How will participation in the CEO effect funding sources such as Title I and 31a money?

For the funding issues related to free and reduced counts for non-nutrition programs, parents must complete the "Household Information Survey." However, parents cannot be forced to complete the survey for their children to receive the benefit of free meals in the CEO program. Schools must enter appropriate information in the SNE field of the Michigan Student Data System (MSDS) as of the October 5th count date. The counts obtained from this will determine the funding levels for programs such as 31a, e-rate, and others. The total of Title I money is based on census data, not free and reduced counts.

Will federal (e.g., Title I) formula grant allocations be calculated differently for LEAs or schools participating in the Community Eligibility Options program?

The "Supplemental Nutritional Eligibility" field in MSDS is necessary in order for MDE to calculate allocations for the federal Title I and related programs. This information is also needed to complete the "rank and serve" requirements in the Title I School Selection application. LEAs will not need additional information from parents for any students who are "directly certified" since these students will be identified in MSDS as free or reduced lunch students. For students not eligible through the direct certification process, parents or guardians must complete the Household Information Survey and return it to their LEA. This will enable the districts to identify students appropriately under the "Supplemental Nutritional Eligibility" field in MSDS. This paper documentation should be maintained by each LEA for auditing purposes.

Will state (e.g., 31a) formula grant allocations be calculated differently for LEAs or schools participating in the Community Eligibility Options program?

The "Supplemental Nutritional Eligibility" field in MSDS is necessary in order for MDE to calculate allocations for the state At Risk program (31a). It would not be possible to calculate this allocation without verifiable household economic information at the student level for grades K-12.

**Community Eligibility Option
Frequently Asked Questions
Michigan Department of Education – School Nutrition Programs
Last Updated: May 31, 2012**

How will participation in this program affect our technology E-rate?

E-rate applicants that participate in CEO this school year may use last school year's National School Lunch Program data to substantiate their E-rate discounts for E-rate funding year 2012 (July 1, 2012 – June 30, 2013). The Federal Communication Commission (FCC) will continue to meet with the U.S. Department of Agriculture to look at solutions for future funding years.

How will the “economically disadvantaged” subgroup used for Adequate Yearly Program (AYP), graduation rates, assessment data, and other federal reporting be calculated for LEAs or schools participating in the CEO?

The economically disadvantaged subgroup is determined by (1) direct certification, (2) categorical eligibility (homeless or migrant status), and (3) free and reduced lunch eligibility. Districts and schools participating in the CEO will need to ensure that free and reduced lunch eligibility is properly captured in the data by having parents or guardians complete the “Household Information Survey” and entering the appropriate information in the Supplemental Nutrition Eligibility characteristic in MSDS. For students not directly certified or categorically eligible, the Supplemental Nutrition Eligibility characteristic must be correctly populated in MSDS by the fall collection certification date (November 23) with an “as of” date of October 5th to be included in the economically disadvantaged subgroup.

Free and reduced lunch data are the basis for determining the economically disadvantaged subgroup. Parents or guardians must complete the “Household Information Survey” for students not directly certified or categorically eligible. LEAs must enter appropriate information under the Supplemental Nutritional Eligibility characteristic in MSDS as of the October 5th count date. The data entered by each LEA under the “Supplemental Nutritional Eligibility” characteristic in MSDS are used to identify students in this subgroup.